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SUBJECT: DIALOGUE ON ECONOMIC COOPERATION (DEC) FOLLOW-UP

REF: A. (A) BAGHDAD 1061

[B](#). (B) STATE 24866

[C](#). (C) BAGHDAD 643

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[1](#). (U) USG agencies welcome Embassy Baghdad,s follow-up on the Dialogue on Economic Cooperation (DEC) (REF A). We concur with the division of labor and suggestions for USG action and appreciate Embassy Econ,s work with GOI counterparts to maintain the momentum the DEC afforded to the USG-GOI bilateral economic relationship.

[2](#). (U) In response to REF A, comments and updates from Washington agencies follow. Washington agencies remain very interested in seeing the GOI complete ratification procedures for the agreements agreed upon in the 2005 JCRED, and would welcome an update from post on their status.

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Trade and Investment Framework Agreement (TIFA)  
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-- (SBU) The Council of Representatives (CoR) should be urged to ratify the TIFA. DPM Barham Salih,s statement during the DEC meeting that the private sector should act as if the TIFA were ratified is encouraging, but is not a substitute for CoR action.

-- (U) The Office of the United States Trade Representative (USTR) in Washington is leading preparations for an upcoming TIFA Council meeting with Iraq. Pending entry into force of our bilateral TIFA, the U.S. and Iraq agreed during the DEC talks to discuss a wide range of trade and investment issues, including U.S.-Iraq cooperation on Iraq,s WTO accession at the inaugural meeting of the TIFA Council. USTR requests that Embassy Baghdad propose to the Government of Iraq (GOI) that we hold the initial two-day TIFA meeting in November [1](#)2008. Suggested dates are the week of November 3-7, November 12-14, or alternatively, the week of November 17-21. The first two options would enable GOI officials and private business representatives to attend the November 9-13 Pack Expo food packaging event in Chicago. (Note section on Agriculture, below).

-- (U) To encourage U.S. private sector investment in Iraq and showcase investment opportunities, the Department of Commerce (DOC) is leading an official trade mission to Erbil, Iraqi, June 22-25. Additionally, DOC is in the early planning stages for a second trade mission to Al-Anbar this fall.

-- (U) DOC is supporting the GOI in developing a legislative

and regulatory action plan through the work of its Commercial Law Development Program (CLDP). CLDP continues to train CoR and the Ministry of Oil,s Petroleum Contracting and Licensing Directorate on petroleum exploration and development of contracts and technical service agreements. CLDP will also partner with Iraq,s Higher Judicial Council as well as the Judicial Training Institute to engage in judicial capacity building on commercial laws.

-- (U) DOC is working to provide substantive guidance to the GOI on promoting public awareness of the positive effect that free trade has on the Iraqi economy. In coordination with USTR and per the request of the Iraqi Commercial Attache, DOC will produce a one-page document on the benefits of free trade to Iraq.

-- (U) DOC is currently updating its business guide for Iraq, building on work undertaken in USAID,s Izdihar (now Tijara) program. Additionally, DOC is creating a guide to investing in Iraq, written primarily for new businesses entering the Iraqi market. This guide will supplement and update the Izdihar roadmap, serving as a first reference for businesses exploring the Iraqi investment environment. Once complete, the guide will be available on the IIRTF website.

-- (U) USTR has initiated discussions with Iraqi trade and Intellectual Property Rights (IPR) officials. During November 2007 meetings in Amman, Jordan between USTR and Iraqi officials, Iraq suggested that USG and Iraqi IPR experts hold working-level IPR meetings in London. Although

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such meetings have not yet occurred, USTR continues to urge that such meetings be scheduled as soon as possible at mutually convenient times and places. DOC, USTR, the U.S. Patent and Trademark Office (USPTO) and State will continue to work together to lay the groundwork for a dialogue with the Iraqis on IPR. USTR continues to offer assistance to Iraq on amending Iraq,s IPR laws and requests that Iraq provide a copy of its draft IPR laws to USG as soon as possible. To the extent that USAID,s Tijara program will be working on IPR issues in Iraq, USTR requests that Tijara coordinate efforts with USG officials in Washington.

-- (U) USTR is working with Iraqi Commercial Consulate officials in Washington on export opportunities under GSP and is meeting with DOD to identify GSP-eligible exports that might be exported by Iraqi state owned enterprises (SOEs). In addition, USTR is coordinating with Post to identify PRTs interested in integrating export opportunities under GSP into their economic development efforts.

-- (U) DOC is assisting USTR,s effort to educate Iraqi businesses on the benefits of GSP. Where appropriate, DOC will work with the commercial service to better promote the use of GSP and assist in match-making.

-- (U) A consistent and predictable commercial legal environment includes mechanisms that promote the settlement of disputes by means other than through litigation. DOC,s business and investment guide will reflect the importance of alternative dispute resolution techniques including the adoption of appropriate international arbitration mechanisms.

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Agriculture  
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-- (U) Contingent upon availability of funding, the U.S. Department of Agriculture (USDA) intends to conduct additional Iraq Agricultural Extension Revitalization (IAER) training seminars both in-country and elsewhere as necessary.

-- (U) USDA also intends to support improvement of the Iraqi digital videoconferencing capability for advancing education in extension between the Iraqi extension system, USDA, and

its land grant university partners.

-- (U) DOC is encouraging Iraqi businessmen and government ministers to attend PACK EXPO in Chicago on November 9 - 13. PACK EXPO is the largest food packaging and processing exhibition held in the United States.

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Labor Code  
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-- (U) Given that there is no permanent labor law in Iraq and no law governing industrial relations, USTR urges the GOI to pass the new labor code, which has been under review for several years. Until the GOI replaces the 1987 labor code, which restricts or prohibits the exercise of the most basic labor freedoms and falls short of Congressional requirements for Iraq to be designated as a beneficiary developing country under GSP, the status of industrial relations remains ambiguous in Iraq.

13. (U) During the February DEC meetings, Iraqi National Security Adviser Rubaie discussed six issues of importance with Under Secretary Jeffery, requesting USG input on each. Embassy Baghdad is requested to provide a status report for E on post,s response to Rubaie.

14. (U) Washington agencies look forward to further progress updates from Embassy Baghdad, and is ready and willing to provide the assistance necessary to continue moving forward in the USG,s bilateral relationship with the GOI.  
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